

BEFORE

THE PUBLIC SERVICE COMMISSION

OF SOUTH CAROLINA

DOCKET NO. 2021-15- C

March 11, 2021

IN RE: Application of for Designation as an Eligible
Telecommunications Carrier in the State of
South Carolina

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STIPULATION

This Stipulation is made by and among the South Carolina Office of Regulatory Staff (“ORS”) and CarolinaConnect Cooperative, Inc. (“Company” or “Applicant”) (collectively referred to as the “Parties” or sometimes individually as a “Party”).

Whereas, Applicant is seeking designation as an Eligible Telecommunications Carrier ("ETC") in 327 eligible census blocks located in Newberry, Lexington and Saluda Counties in order to receive federal universal service support under Sections 214 and 254 of the federal Communications Act of 1934 ("Communications Act") and pursuant to the Federal Communications Commission's ("FCC") Rural Digital Opportunity Fund Phase I (904) Auction;

Whereas, the Application was filed pursuant to § 214(e) of the Communications Act, and the rules and regulations of the Public Service Commission of South Carolina (“Commission”) and the FCC;

Whereas, ORS is a statutory party to this action. See S.C. Code Ann. § 58-4-10(B);

Whereas, no other comments or petitions to intervene were received in response to the notice of filing;

Whereas, in support of its Application and request for expedited review of this matter, the Applicant has filed an Affidavit attesting to the truth and accuracy of the Application and testimony;

Whereas, the Applicant seeks a waiver of Reg. 103-690.C.(a)(1)(B) to submit a two-year plan describing the proposed improvements or upgrades;

Whereas, the Federal Communications Commission ("FCC") released FCC 11-161 Connect America Fund; A National Broadband Plan for Our Future; Establishing Just and Reasonable Rates for Local Exchange Carriers; High-Cost Universal Service Support; Developing an Unified Intercarrier Compensation Regime; Federal-State Joint Board ("USF/ICC Transformation Order") in an effort to comprehensively reform and modernize the high cost program within the universal service fund and the intercarrier compensation system to reposition support for networks capable of providing both voice and broadband services and created the Rural Digital Opportunity Fund ("RDOF") in its Report and Order in WC Docket No. 19-126, et al., *In the Matter of Rural Digital Opportunity Fund*, FCC 20-5 (released Feb. 7, 2020)("RDOF Order");

Whereas, the Applicant identified services areas in price cap carriers' service areas in incumbent markets which were unserved, and which could be served by the Applicant by constructing new facilities funded by the federal RDOF plan;

Whereas, the Applicant participated in RDOF Auction, and the FCC awarded support to Applicant through the competitive bidding process;

Whereas, Applicant was among the provisional winning bidder and will receive \$ 113,630 over a ten-year period to build a network capable of providing gigabit broadband service upon completion of certain post-auction requirements;

Whereas, one of these requirements is for Applicant to be designated as an ETC in each state that it received RDOF in the funded areas by June 7, 2021;

Whereas, 47 C.F.R. § 54.101(a)(1) defines voice telephony services eligible for universal service support as services that provide voice grade access to the public switched network or its functional equivalent; minutes of use for local service provided at no additional charge to end users; access to the emergency services provided by local government or other public safety organizations, such as 911 and enhanced 911, to the extent the local government in an eligible carrier's service area has implemented 911 or enhanced 911 systems; and toll limitation services to qualifying low-income consumers as provided in subpart E. of this part;

Whereas, Section 54.101(a)(2) defines broadband Internet access services eligible for universal service support as services that provide the capability to transmit data to and receive data by wire or radio from all or substantially all Internet endpoints, including any capabilities that are incidental to and enable the operation of the communications service, but excluding dial-up service;

Whereas, the FCC does not require the Applicant to submit a five-year plan for proposed network improvements and upgrades and no longer requires ETCs provide equal access;

Whereas the FCC has adopted more specific measures to track deployment, including annual reporting of service to geocoded locations and certifications of compliance with benchmark milestones, provided a “more defined yardstick by which to measure their progress towards the universal availability of voice and broadband service” in winning bidders designated service areas;

Whereas, Applicant is required to maintain a functional network in emergency situations;

Whereas, Applicant is required to commit to objective measures to protect consumers;

Whereas, Applicant is required to offer local usage plans comparable to the one offered by the incumbent in the service areas for which it seeks designation, in compliance with Commission Regulation 103-690.C.(a)(4);

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1. As an ETC, Applicant agrees to provide voice and broadband service pursuant Section 214(e)(1) of the Communications Act of 1934, as amended and Section 54.201(d) of the rules of the FCC require ETCs to, throughout their service areas for which designation is received, (1) offer the services supported by federal universal service support mechanisms, (2) either using its own facilities or a combination of its own facilities and resale of another carrier's services, and to (3) advertise the availability of such services and the charges using media of general distribution.
2. As an ETC, Applicant agrees that it must offer the services that are supported by universal support mechanisms, which are voice telephony services and broadband service as defined in Section 54.101 of the FCC's Rules, either through its own facilities or a combination of its own facilities and resale of another carrier's facilities in areas where it seeks ETC designation.
3. As an ETC, Applicant agrees to provide voice grade access to its customers through interconnection of Applicant facilities and the public switched telephone network.
4. As an ETC, Applicant agrees that it will offer Lifeline discounts to qualifying customers and comply with federal Lifeline requirements in fulfillment of the requirement that ETCs offer Lifeline discounts to qualifying customers and to offer toll limitation service at no charge to qualifying customers in the funded areas, unless the

Lifeline service does not distinguish between toll and non-toll calls in the pricing of the service.

5. As an ETC, Applicant agrees to provide access to emergency services for its customers in remote and currently unserved and underserved portions of the 327 census blocks for which it seeks ETC designation.
6. As an ETC, Applicant agrees to provide ORS with the list of census blocks and the estimated cost provided to the FCC for upgrading the census blocks within seven days of ETC designation.
7. As an ETC, Applicant agrees to provide estimated timelines for each census block it proposes to serve.
8. As an ETC, Applicant agrees to offer a Lifeline Broadband option for each census block that it has been awarded RDOF upon completion of construction to that census block.
9. As an ETC, Applicant will advertise these offerings in a manner that is designed to fully inform potential customers of the supported services available to them, to disclose all associated rates, and to ensure that qualifying low-income individuals are informed about the availability and cost of Lifeline programs.
10. As an ETC, Applicant, pursuant to FCC regulations, must: (1) certify that it will comply with the service requirements applicable to the support that it receives; (2) demonstrate its ability to remain functional in emergency situations; (3) demonstrate that it will satisfy consumer protection and service quality standards.
11. As an ETC, the Applicant agrees to report to the FCC and the Commission on a quarterly or annual basis the number of unfulfilled requests for service, as required.

12. As an ETC, Applicant certifies that it will comply with the service requirements applicable to the supported voice and broadband services that it will be offering in the Funded Areas, including the requirements for the RDOF auction program.
13. As an ETC, Applicant commits to making available to the Commission and ORS all reports it is required to file with the FCC in connection with RDOF Phase I funding for the designated areas.
14. As an ETC, Applicant commits that its voice and broadband network is designed to remain functional in emergency situations without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations and complies with the FCC's backup power requirements.
15. As an ETC, Applicant certifies that it will comply with applicable service quality standards and consumer protection rules, including complying with Lifeline service standards pursuant to 47 C.F.R. § 54.408 including minimum broadband speed requirements, data usage allowance, and accessibility to WIFI devices.
16. As an ETC, Applicant agrees to offer a voice local calling plan comparable to the calling plan offered by the incumbent local exchange carrier in the designated areas.
17. As an ETC, Applicant acknowledges that the FCC may require Applicant to provide equal access to long distance carriers in the event that no other ETC is providing equal access within the service area.
18. As an ETC, Applicant agrees that it is a common carrier and has the obligation of a common carrier for the provision of voice and broadband service within the designated area.

19. Subject to the provisions set forth herein and compliance with regulatory assessments such as the Dual Party Relay Fund, the South Carolina Universal Service Fund, and gross receipts, where applicable, ORS does not oppose the Application of CarolinaConnect Cooperative, Inc. for designation as an eligible telecommunications carrier.
20. As an ETC, Applicant will not "cream-skim," that is, Applicant intends to fully comply with its obligation to serve all census blocks assigned to it in accordance with the milestones set forth in the RDOF Order.
21. ORS is charged by law with the duty to represent the public interest of South Carolina. Pursuant to S.C. Code § 58-4-10(B) (Supp. 2018) 'public interest' means the concerns of the using and consuming public with respect to public utility services, regardless of the class of customer and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.
22. ORS believes the Stipulation reached among the Parties serves the public interest as defined above. The Parties agree that this Stipulation is reasonable, is in the public interest, and is in accordance with law and regulatory policy.
23. ORS agrees to support expedited review for the Applicant as it has agreed to the terms and conditions of ETC designation. This Stipulation contains the complete agreement between the Parties regarding the Application. There are no other terms or conditions to which the Parties have agreed.
24. The Parties agree to advocate that the Commission accept and approve this Stipulation in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The

Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Stipulation be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Stipulation and the terms and conditions contained herein.

25. The Parties represent that the terms of this Stipulation are based upon full and accurate information known as of the date this Stipulation is executed. If, after execution, either Party is made aware of information that conflicts with, nullifies, or is otherwise materially different than that information upon which this Stipulation is based, either Party may withdraw from the Stipulation with written notice to the other Party.
26. The Parties agree that signing this Stipulation will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Stipulation in its entirety, then any Party desiring to do so may withdraw from the Stipulation in its entirety without penalty or obligation.
27. This Stipulation shall be interpreted according to South Carolina law.
28. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Stipulation by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original

signature pages combined with the body of the document constituting an original and provable copy of this Stipulation. The Parties agree that in the event any Party should fail to indicate its consent to this Stipulation and the terms contained herein, then this Stipulation shall be null and void and will not be binding on any Party.

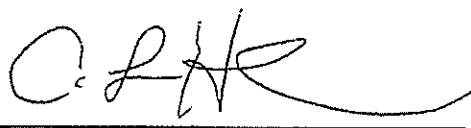
[PARTY SIGNATURES TO FOLLOW ON SEPARATE PAGES]



J. David Black, Esquire
Nexsen Pruet, LLC
1230 Main Street, Suite 700
Columbia, SC 29201
Phone: (803) 540-2072
dblack@nexsenpruet.com

Todd B. Lentor
Lukas, LaFuria, Gutierrez k. Sachs, LLP
8300 Greensboro Drive, Suite 1200
Tysons, VA 22102
Phone:(703) 584-8671
tlantor@fcclaw.com

Attorneys for CarolinaConnect Cooperative, Inc.

A handwritten signature in black ink, appearing to read 'C. L. Hammonds', written over a horizontal line.

C. Lessie Hammonds, Esquire
South Carolina Office of Regulatory Staff
1401 Main Street, Ste. 900
Columbia, SC 29201
803-737-0803
lhammonds@ors.sc.gov